



BVWD BOARD VOTES TO REDUCE CAPACITY CHARGES AND REFUND OVERPAID FEES

Executive Summary

Capacity Charges Rolled Back:

New Fee: \$5,414.00
Board Votes to Issue \$80,000 in Refunds for 2007-13 Fees

Capacity Planning:

Expanded Land Use, Townsite Act & Modified Permit Terms Comprise Multipronged Approach for More Wastewater Capacity

Permit Compliance:

Mixing Zone Study May Provide Dilution Credits and Avert Elusive Compliance Challenges

Investments in Technology:

Energy Efficiency Improvements Yielding Quick Results

2015 District Election:

Official Declarations of Candidacy for November 2015 Election is July 13 – August 7, 2015.

STORAGE RESERVOIR—SEPT 2014



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Following the sewer service rate costly compliance related plant Bear Valley property owners the fees restructuring in 2014 that leveled improvements required at the time by established in 2007 based on build out of the monthly wastewater charges for all the Central Valley Regional Water three phase plan.

ratepayers, the District Board of Quality Control Board (CVRWQCB). Directors recently turned its attention to the District's capacity and connection fees or those costs property owners pay when connecting to the system for their share of capacity in the overall wastewater system. The wastewater system is the aggregate of the collection, treatment and disposal system and is characterized by the number of equivalent dwelling units (EDUs) it can support.

This study contemplated \$20 million in system modifications over three phases and assigned a cost of \$12,710 to every Bear Valley residence or EDU. Combined with a \$3,030 "buy-in" fee per property established at the time for previously existing infrastructure, the 2007 capacity charge was finally set by a vote of the Board at \$15,740.

Similar to the approach taken with monthly wastewater service fees in 2014, the Board again directed District Engineer Gary Ghio to provide an analysis and recommendation to the Board to update the capacity fee to include all the system improvements made since the last capacity fee was established in January 2007.

Central to the recent analysis was an evaluation of the system enhancements that were recommended to the Board back in 2006 when the District was facing

However, following a successful appeal to the CWRWQCB demonstrating alternative compliance approaches which the Water Board ultimately codified in the District's 2010 NPDES permit, these costly improvements were never required. Yet, absent a revision to the capacity charge, from 2007 – 2013 the District nonetheless collected from a host of

CAPACITY PLANNING : LONG TERM, MULTI PRONGED APPROACH SEEKS MORE CAPACITY

With the support of District Engineer Gary Ghio and guidance from District Legal Counsel Dan Schroeder, the District's overall capacity is currently only capable of serving 930 total EDUs, or 640 fewer than planned. (685 EDUs existing and 245 EDUs remaining in reserve = 930

Collectively, the data from updated water balances including the 2011 greater than 1-in-100 water year, the 2013 aerial study of the storage reservoir and the 2011 expiration of the special 10-year USFS emergency special use permit for additional land disposal area, have all combined to provide a capacity assessment that is at once more comprehensive and deliberative than ever before.

This deficiency has prompted the District to fashion a multi-pronged approach to plan for sustainable, long term security of both existing and additional capacity in the system through a wide variety of mechanisms.

Working closely with local USFS representatives, the first approach to securing current capacity is renewal of the District's primary Special Use Permit (SUP) for its 40 acre spray field operations and collection and storage and disposal components of conveyance infrastructure on federal lands which expires in July 2015. To this end, The District recently submitted applications to the USFS Master Plan identifies 1,570 equivalent for both 10 year and 40 year permits

Finally, the District will seek to amend narrow surface water discharge terms when it applies for its 2016 permit to expand the frequency of permitted discharges to make for more effluent storage capacity and ultimately more EDUs.

Lastly, with the policy approach applied in the 2014 rate restructuring which accepted that, without the ability to individually meter every wastewater customer in the District coupled with the discovery that 90% of operation and maintenance of the wastewater system are fixed costs, customers will no longer have to pay an additional capacity charge when building a larger home with more fixture units or when adding fixture units such as an extra bath or kitchen to an existing home.

Further, acknowledging that the fees collected were for plant improvements which were never completed, the Board of Directors voted unanimously to return to customers who paid the higher 2007 capacity charges the portion of fees associated with the improvements which were never built.

INVESTMENTS IN ENERGY EFFICIENCY: SAVINGS DEEPER & ARRIVE P SOONER THAN EXPECTED

Major investments made by the District in 2014 in energy efficiency technologies, including variable frequency drives (VFDs) and soft start motor starters have yielded greater energy savings sooner than anticipated.

With fixed costs predominating the operating and maintenance budget for the District, energy savings through process modifications and investments in energy efficient technologies have been one of the few areas remaining where the District can seek to further reduce expenses.

Through careful analysis, the District determined that nearly 80% of the District's overall energy consumption comes from just two system components: aeration blowers and irrigation pumps. Hence, the District drilled down further on these two systems and considered both modifying system processes and employing more energy efficient components to achieve savings.

While we haven't even been through a full fiscal cycle yet, early results suggest that the savings from investments in new technologies will be both deeper and arrive sooner

than was originally anticipated. For example, where the District was aerating nightly for up to 6 hours per night without a process control mechanism in place, the District installed a dissolved oxygen (DO) probe and tied it to a new variable frequency drive aeration blower. Now, the blower only runs based on process requirements.

Among other efforts, investments in technology such as this have led to a 61% reduction of kilowatt hours, from a high of 244,560 kWh consumed in 2010 to an estimate of only 94,252 in 2014-15.



BLOODS CREEK – MARCH 2015



PERMIT COMPLIANCE UPDATE: MIXING ZONE STUDY MAY PROVIDE FOR DILUTION CREDITS

As the District prepares for renewal of its 2010 NPDES permit in August 2016, efforts persist to address elusive compliance challenges related to higher than permitted levels of copper, lead, aluminum and ammonia in the Bear Valley waste stream.

In what may be the most significant progress toward compliance since the District received the 2010 permit, the District recently submitted a work plan to the Regional Board for approval of a mixing zone study it anticipates performing this spring in Bloods Creek.

As reported frequently in this newsletter, the District has been unable to sufficiently demonstrate

that dilution alone in its storage reservoir could provide compliance for these constituents of concern as was expected in 2010 due to back to back dry years.

Now, with its "Report of Waste Discharge" (ROWD) due later this year in advance of its application for a renewed permit, the District is quickly running out of time to meet the deadline for 2010 permit terms.

The District Board of Directors voted to proceed with a mixing zone study this spring following the October 2014 meeting District staff had with Senior Water Resources Control Engineer Jim Marshall at the Regional Board's office in Rancho Cordova. In no unequivocal terms,

Marshall clarified that demonstrating "significant progress" toward achieving compliance would be paramount to the Regional Board when considering renewing the permit in 2016.

With support from Stantec Consulting, the mixing zone study will use fluorescent dye to simulate effluent as it mixes with receiving waters. Samples are collected in various locations downstream to be analyzed for how effective the 20:1 dilution would be for true effluent.

If successful, it is anticipated that the Regional Board will issue "dilution credits," currently absent from the 2010 permit, which may serve to help BVWD meet compliance for the constituents of concern without costly investment in capital infrastructure solutions.

Did you know.

Auto Pay & E-bill Services

As a reminder, BVWD provides both automatic bill payment options as well e-bill and e-newsletter services.

To sign up for electronic billing and automatic payment services, visit the Payment Options page at bearvalleywater.org and complete the authorization form.

Questions ? Call 209.753.2112

BVWD BOARD OF DIRECTORS: NOVEMBER ELECTIONS & SUMMER FILING REQUIREMENTS

Preparations are currently underway for the November 3, 2015 general District election.

Terms of office for two members of the Bear Valley Water District Board, Directors Ken Brown and Gunnar Thordarson, expire this December 2015.

While both Brown and Thordarson are considering running for re-election for another term, pursuant to the California Elections Code Section 10509, BVWD must notify qualifying community members of the community interested in running for office of the filing

requirements and deadlines for timely submission.

California Uniform Election Law requires a candidate to be an owner of land located within the District boundary. The four year terms of office for the two seats begin in December 2015 and expire December 2019.

The nomination period for the November 3, 2015 election is July 13, 2015 through August 7, 2015. A "candidates guide" for the election is being prepared and will be provided to all candidates at the time they obtain their

nomination papers.

Official declarations of candidacy for eligible candidates desiring to file for elective office may be obtained from the office of the County Clerk at 99 Water Street in Markleeville or at the Bear Valley Water District office at 441 Creekside Drive in Bear Valley.

Property owners interested in learning more about serving the Bear Valley Water District may contact District Manager Jeff Gouveia at 209.753.2112 or gmbearvalleywater@sbcglobal.net.